

**Risk Management Advisory Board  
Minutes**

**Date/Time:** Monday, November 30, 2015, 6:00PM

**Place:** West Hartford Town Hall, Room #221

**Present:** Maureen Boyle-Henninger, John Davison, Richard Roberts, Albert Brenner, Susan Donatelli, Rick Ledwith

**Also Present:** Christopher Kachmar

**1. Minutes of the May 11th Meeting**

Minutes were approved as submitted.

**2. Investment Results**

Chris Kachmar from Fiduciary Investment Advisors was in attendance to provide the Advisory Board a review of the markets and the portfolio through September 30<sup>th</sup>. The third quarter proved to be a difficult one for investors as concerns regarding the prospects of a Fed interest rate hike campaign and developments in China weighed on investor sentiment. Equities generally consolidated in the quarter while fixed income earned only modest positive returns. Against this backdrop, the portfolio generated a return of -3.2% in the quarter (slightly ahead of its composite benchmark return of -3.6%) and ended the period with an aggregate value of \$16.5 million. Longer term, the portfolio has generated returns that generally align with those available in the broader markets. Mr. Kachmar also confirmed that the roster of investment managers currently in place for the portfolio remain in good standing from a research perspective and appropriate for use in the portfolio. Finally, he indicated that he was in the process of reviewing the Connecticut state statutes that govern the portfolio's investing activities so as to reaffirm the portfolio's current allocation stances and their compliance with these regulations. A report back to the Advisory Board would be made at a subsequent meeting.

**3. Annual Health Benefits Report**

Mr. Ledwith distributed the 2014-15 Fiscal Year Annual Health Report. Highlights were as follows:

Total plan costs for the 2014-15 fiscal year were \$35,960,169, down from \$38,587,716 last year. This is a 6.8% decrease from the amount paid the previous fiscal year. This decrease is significantly lower than National Health Care Trend Factors which are approximately 7.8% (according to the 2015 Segal Health Plan Cost Trend Survey).

The Town's health care costs decreased 1.7%% to \$12,521,220. The Board of Education's health care costs decreased 10.3% to \$23,438,949. Professional services lead our health care costs by type with \$11.8 million in expenditures and 33% of our total costs. Inpatient Hospital costs decreased by nearly \$3 million this fiscal year. Total large claims decreased by approximately \$3 million. 1% of the Town and Board's population accounted for 29% of paid claims vs. 39.5% last fiscal year. 5.7% of Town and Board's membership did not incur a claim in 14-15. Industry norm is approximately 11.5%.

Prescription drug costs increased 9.2% this year after several years of flat trend. This increase is primarily due to the increase in specialty drugs which increased 18.6% this year and have doubled since 2010-11. Specialty drugs are prescribed to treat complex conditions such as MS, cancer, HIV and inflammatory diseases and are characterized as expensive therapies having a high cost/unit.

**4. Updated Insurance Schedule**

Mrs. Donatelli distributed and discussed the 2016 Insurance Schedule.

**5. 2016 Annual Agenda & Meeting Dates**

The RMAB approved the Annual Agenda and Meeting Dates for 2016.

**6. 2016 RMAB Appointment/Reappointment Status**

A new member will be appointed by the January meeting to fill the vacancy of Kevin Adams.

**7. 2016 Operating Procedures**

The RMAB unanimously adopted the 2016 Operating Procedures

**8. 2016 RMAB Objectives**

The RMAB unanimously adopted the 2016 RMAB Objectives

**9. Other**

**If you are unable to attend the meeting, please contact:**

**Lisa Davis, Safety Analyst at [lisad@westhartfordct.gov](mailto:lisad@westhartfordct.gov) or call 860-561-7486.**

cc:	Scott Slifka, Mayor	Jay Sarzen, Board of Education
	Denise Hall, Town Council	Mark Overmyer-Velazquez, Board of Education
	Ron Van Winkle, Town Manager	Tom Moore, Superintendent
	Joe O'Brien, Corporation Council	Andrew Morrow, Assistant Superintendent
	Peter Privitera, Director of Finance	Chip Ward, Director of Finance and Planning
	Rick Ledwith, Executive Director of HR	Sue Donatelli, Risk Manager